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UNCLAS TEL AVIV 000978

SIPDIS

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
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HQ USAF FOR XOXO
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JERUSALEM ALSO ICD
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E.O. 12958: N/A
TAGS: OPRC KMDR IS
SUBJECT: ISRAEL MEDIA REACTION

Please note: The US Embassy in Tel Aviv will be closed on Monday-Tuesday, April 2-3, for the Passover holiday. There will be no Israel Media Reaction on those dates.

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

All major media highlighted separate Passover holiday interviews that each of them conducted with PM Ehud Olmert. In all interviews, the PM stressed his interest in pushing peace forward. In the interview he granted Ha'aretz, Olmert was quoted as saying that he wants to start a dialogue with Saudi Arabia and other moderate Arab countries after the Riyadh summit again ratified the Saudi peace initiative. He was further quoted as saying that he would be happy to take part in a regional conference that would support direct negotiations between Israel and the Palestinians. "A bloc of states is emerging that understands that they may have been wrong to think that Israel is the world's greatest problem. That is a revolutionary change in outlook," Olmert was quoted as saying. "There are interesting ideas there, and we are ready to hold discussions and hear from the Saudis about their approach and to tell them about ours," he added. "We are not going overboard in this matter, but we are also not discounting it. We will act cautiously and wisely out of a willingness to create a dynamic that will improve and strengthen the process. The Riyadh summit is certainly a serious matter. We do not delude ourselves -- they want us to go back to the 1967 borders and they also want the right of return. We were not surprised; we understood it would be this way. The content is important, but it is also important to relate to the atmosphere, positioning and direction. Saudi Arabia is the country that in the end will determine the ability of the Arabs to reach a compromise with Israel," Olmert was quoted as saying.

In his interviews with Yediot and Ha'aretz, Olmert was quoted as saying that peace can be reached in five years.

Summarizing Olmert's interview with the newspaper, Maariv stressed his criticism of opposition leader MK Binyamin Netanyahu, who Olmert said made a career by "generating panic."

Olmert was quoted as reiterating in the interview with The Jerusalem Post that Israel would not accept the return to Israel of any refugees. It is "out of the question," he was quoted as saying. "I will never accept a solution that is based on their return to Israel, any number." In the interview, Olmert praised Saudi Arabia's "remarkable" King Abdullah.

Media reported that Israel's official response, released in a statement by the Foreign Ministry in coordination with the Prime Minister's Bureau, was lukewarm. It ignored the content of the Riyadh resolution and focused on the call by the moderate Arab nations to enter a dialogue with Israel.

Israel Radio quoted Defense Minister Amir Peretz as saying on Thursday that Israel must start a diplomatic initiative of its own and begin debating the principles of the final-status agreement. He was quoted as saying that the discussions should be with PA Chairman [President] Mahmoud Abbas, in coordination with the members of the Quartet and Arab League representatives.

Ha'aretz reported on House Speaker Nancy Pelosi's upcoming visit to the region, citing differences between her and Olmert about the war in Iraq. Israel Radio cited her forthcoming visit to Damascus.

The Jerusalem Post reported that a senior US State Department official told the newspaper this week that there is a growing threat that terrorist groups such as Hizbullah will acquire nuclear or other WMD technology. He indicated that there are a "large number" of nuclear smuggling incidents each year, some of which are "substantial" and not limited to low-grade material. "You have this environment of material, expertise and supporting equipment [for weapons of mass destruction] being more widely available than before," he was quoted as saying. "You have that coupled with the demonstrated interest of some terror groups to acquire these capabilities, and that is a real concern to us." "It's a bigger threat than it was in the past.... You see work by the groups to try to acquire the means. It's not just the will. They are working to acquire the means," he added. While the official would not discuss the specific capabilities of Hizbullah, Hamas, and Islamic Jihad, he was quoted as saying that "each of those terrorist groups is one that the US is very concerned about." He was also quoted as saying that Arab and Muslim countries were increasingly playing a role in combating the spread of such technologies to terrorist organizations.

The Jerusalem Post quoted a top Palestinian official as saying on Thursday that Abbas agreed to meet with Olmert twice a month only to appease the Americans. Leading media quoted Hamas leader Khaled Mashal as saying in a phone address to supporters in Gaza City that his movement would continue to launch attacks on Israel despite the formation of the PA unity government.

Ha'aretz quoted Palestinian sources as saying on Thursday that negotiations on the release of Gilad Shalit, the Israeli soldier held by Hamas since his abduction on June 25 last year, have hit a bump and are now back at the starting point. Ha'aretz reported that Palestinian sources told the daily on Thursday that a group of high-ranking officials in Hamas's military wing, Izz al-Din al-Qassam, which is headed by Ahmed Jabri, have thwarted the deal. They reportedly claim that Shalit's captors have expressed fear of Israel's reprisal if Shalit is released. The sources were quoted as saying that they therefore decided against transferring the list of prisoners whom they wish to exchange for Shalit. Israel was to release their list of prisoners in several stages, and the abducted soldier was to be transferred to Egypt after the release of the first group.

The Jerusalem Post reported that Arieh Herzog, the head of the Defense Ministry's Homa Missile Defense Agency, has told the daily that recent modifications made to the Arrow enable Israel's ballistic missile defense system to successfully intercept and destroy any ballistic missile in the Middle East, including nuclear-capable missiles under development by Iran.

The media devoted considerable space to revelations about the Second Lebanon War. Ha'aretz reported that Mossad Director Meir Dagan recommended after the abduction of two IDF soldiers in the North last July 12 that Israel delay its military response against Hezbollah. According to Ha'aretz, Dagan explained to a forum headed by Defense Minister Amir Peretz it would be advisable to take basic steps to better protect the home front from possible Katyusha rocket attacks before striking in Lebanon. Maariv chronicled the course of events on July 12 -- a "failure foretold."

Hatzofe reported that senior Canadian officials refused to meet with Palestinian Information Minister Mustafa Barghouti, who is visiting their country. The newspaper commented that Canada and Australia are the friendliest countries to Israel -- even more so than the US.

Hatzofe reported that Fatah Secretary Abdel Hakim Awad warned against a wide-ranging IDF offensive in the Gaza Strip, saying that it would lead to a new disaster for the Palestinians.

Leading media quoted police as saying that two Arab residents of Jerusalem were under arrest on Thursday for allegedly trying to kidnap and murder ultra-Orthodox Jews in the city.

Maariv divulged that in mid-2006 Hamas unsuccessfully tried to take over the headquarters of the Palestinian Police in the West Bank. The newspaper wrote that Israel arrested 250 Hamas militants, thus thwarting the attempt. Maariv cited Hamas's denial of the story.

Ha'aretz reported that earlier this week the PA and Jordan arrested two Palestinians suspected of selling a house in Hebron to settlers who have been occupying it since March 19. One of the suspects is being held in Jordan, and the other in Jericho (the latter arrest also reported by Hatzofe). PA laws call for a death sentence for anyone found guilty of selling land to Jews. Ha'aretz reported that Hebron's Jewish Committee condemned the arrest, saying: "The arrest exposes once again the anti-Semitic nature of the PA. We call upon the government to accept the racial hatred prevalent in the PA." The newspaper also reported that several well-known leftist academics have called on Peretz to issue an order to evict the settlers from the building. "The decision not to evict the settlers is not only asinine and wrong, but also a violation of international law and public order," they wrote.

Ha'aretz reported that, according to IDF projections, the cost of reinforcing buildings in the western Negev town of Sderot and in the "Gaza envelope" against Qassam rockets is approximately 1 billion shekels (around USD 240 million). The assessment covers only 7,000 homes in five towns including Sderot, which is also in Qassam range.

While Olmert has already made a decision in principle to reinforce homes in the Gaza envelope, no budget has been allocated.

Leading media reported that on Thursday Russia thwarted a British bid to pass a resolution condemning Iran at the UN Security Council, following the capture of 15 British sailors.

Leading media reported that on Thursday Greenpeace staged a demonstration off Israel's Mediterranean coast in favor of a nuclear-free Middle East. Yediot reported Israel's anger at the publication by the organization of a map of nuclear sites in Israel.

Yediot reported that on Thursday Lebanese PM Fouad Siniora informed UN Secretary-General Ban Ki-moon that he would not let him bring along to Beirut Yediot's Washington correspondent Orly Azolai, who covered the Riyadh conference. The newspaper wrote that the "Secretary-General's peace flight collided with the Middle Eastern reality."

In a Letter to the Editor printed in Ha'aretz, HRH Prince Hassan bin Talal of Jordan deplores the sewage flooding of a village in Gaza. Prince Hassan wrote that one should not forget "for one moment that the fundamental cause of Palestinian vulnerability continues to be the illegal occupation of their land that has led to the devastating concentration of large numbers of refugees and displaced people in confined areas with over-stretched infrastructure."

Yediot reported that US tycoon Donald Trump donated USD 250,000 to Israel's Soldier's Welfare Association.

Ha'aretz (English Ed.) reported that American evangelical Christian leaders in a visit to Jerusalem this week delivered a letter of repentance to Knesset members for crimes committed against Jews in the name of Christianity. The letter is the initiative of the Texas-based Covenant Alliances.

Ha'aretz (English Ed.) quoted Israeli tourism officials as saying this week that the number of foreign tourists arriving for Passover has decreased by as much as 10 percent compared to last year. The newspaper cited one official's belief that the reason for the decline was last summer's war in Lebanon.

Ha'aretz reported that, in its response to the report of the British) All-Party Parliamentary Inquiry Into anti-Semitism, the British government has stated its opposition to an academic boycott on Israel and that it is concerned about the "rising tide of anti-Semitic discourse and anti-Semitism on university campuses."

The Jerusalem Post and Israel Radio reported that Israeli archeologists from the Shalem Center have uncovered a wall from the 10th century BC in the City of David area next to the Old City of Jerusalem. The archaeologists were quoted as saying that the discovery strengthens the belief in the existence of King David's city.

Ha'aretz cited documents released by the CIA over the past several years that show that, instead of capturing the escaped Nazi war criminal Walter Rauff, Israeli intelligence paid him for information about the Syrian army and helped him flee from Europe to South America. The newspaper said that he was not the only one.

Mideast:

Summary:

Washington correspondent Shmuel Rosner wrote in the independent, left-leaning Ha'aretz: "Rice and President George Bush, it turns out, are undergoing a process of becoming more pragmatic, but their basic beliefs have not changed: Without democratization, they believe, the Middle East will know no peace."

The conservative, independent Jerusalem Post editorialized: "If the Arab states were serious about achieving peace, they would not be putting forward an ultimatum, complete with threats of war if it is

not accepted, to which no Israeli government could possibly agree."

Arab affairs correspondent Smadar Perry wrote in the mass-circulation, pluralist Yediot Aharonot: "This may sound odd, especially to Arab ears: Even after the leaders of the Arab world approved the 'full peace' plan yesterday, the ball returns to the Arab court."

Moti Cristal, a lecturer on negotiations at Tel Aviv University and the Interdisciplinary Center, wrote in Ha'aretz: "To the extent that Israel does not wake up and present the Arab world and its supporters in Europe and the United States with a comprehensive diplomatic plan ... it will find itself being dragged again and again into the center of the international boxing ring."

Block Quotes:

I. "Dancing With a Corpse"

Washington correspondent Shmuel Rosner wrote in the independent, left-leaning Ha'aretz (3/30): "Rice and President George Bush, it turns out, are undergoing a process of becoming more pragmatic, but their basic beliefs have not changed: Without democratization, they believe, the Middle East will know no peace. In any event, the foundation on which American policy is now resting -- unification of a front of moderates in the face of the forces of darkness that are rocking the Middle East -- looked very rickety this week. It's convincing on paper, but the concrete results are dubious. The Egyptians are angry, the Saudis are conducting an independent policy, the Jordanians are distancing themselves, and the Lebanese are trembling. If this is the forecast, it's no wonder the Iranians are guffawing.... Rice's delegation tried to play up modest accomplishments in the visit. The agreement between Rice and Foreign Minister Tzipi Livni relates to the decisive issue of the future of the talks. In Livni's words, 'There are two possibilities -- to wait for things to work out, which isn't happening, or to keep working on it.' And another remark, voiced by a senior figure in the U.S. delegation, who tried to explain why Rice intends to go on investing in the 'corpse' [the Mideast peace process]: 'Absent the effort, all the alternatives are worse.'"

II. "Unserious Summit"

The conservative, independent Jerusalem Post editorialized (3/30): "The Arab states seem serious about looking like they are serious about achieving peace. If the Arab states were serious about achieving peace, they would not be putting forward an ultimatum, complete with threats of war if it is not accepted, to which no Israeli government could possibly agree. Indeed, this would seem to be the objective of the summit: an Israeli rejection that would enable the Arab states to once again say that it is Israel that is the obstacle to peace. Israel should not fall into this trap. The government should say that it is obvious that peace cannot be achieved by ultimatums, but only by negotiation, and that Israel remains committed to negotiating over all the final-status issues -- such as refugees, borders and Jerusalem -- and is ready to meet at any time in Jerusalem or any Arab capital. The problem is that the Arab side continues to insist on coming to the table with a demand that clearly negates the objective of the entire exercise: two states living side-by-side in peace.... If Israel's sovereignty is to mean anything, then Palestinians can have no more right to move to Israel than Israelis would to a future Palestine. The Arab states, if they want peace, need to be saying this. If they cannot, it shows that they may be serious about making Israel look obstructionist, but not about achieving peace."

III. "The Ball Is Still in Arab Court"

Arab affairs correspondent Smadar Perry wrote in the mass-circulation, pluralist Yediot Aharonot (3/30): "This may sound odd, especially to Arab ears: Even after the leaders of the Arab world approved the 'full peace' plan yesterday, the ball returns to the Arab court. They, and only they, are the ones on whom the burden of proof rests. They are the ones who now have to go to the West, persuade and mobilize the international community to support their plan. Israel hurried to announce that it rejects the plan in its present format, even if it includes a tempting bonus in the form

of 'normal relations with all the countries of the Arab world.' It was enough to see the broad smile on the face of Syrian President Bashar Assad on Thursday, when he announced that he was pleased with the Riyadh understandings, to realize that there were no earthshaking surprises..... Mubarak, who has 30 years of experience in negotiations with Israel, tried to say reassuringly that the Israeli 'no' is not the end of the road, but Jerusalem was careful to signal that it prefers the current situation to the temptations of normalization, which could cost dearly if the dam is burst on the matter of the right of return for refugees. On Thursday the Arab Quartet -- Egypt, Jordan, Saudi Arabia and the United Arab Emirates -- received a green light to go to Washington and to UN headquarters in New York to mobilize support for the Arab peace plan. The Quartet was also given a mandate to form working committees that would launch negotiations, without mentioning Israel explicitly by name. If they insist on sticking to the conditions of the Syrian president and if they refuse to meet Israelis face to face, the Arab peace plan can be buried until next time."

IV. "Danger -- and Opportunity -- Ahead!"

Moti Cristal, a lecturer on negotiations at Tel Aviv University and the Interdisciplinary Center, wrote in Ha'aretz (3/30): "In Israel it is still believed that substantive negotiations is a 'policy' in and of itself, whereas the rest of the world has already internalized that negotiations are just another tool in the hands of statesmen, and equal in legitimacy to the use of force or economic sanctions. To the extent that Israel does not wake up and present the Arab world and its supporters in Europe and the United States with a comprehensive diplomatic plan -- that is, agreements with Syria, Lebanon and the Palestinians, along with the establishment of a stable system of political, security and economic relations with the Arab-Muslim world, it will find itself being dragged again and again into the center of the international boxing ring. Such a plan, for example, could already be presented at the end of the month in Riyadh, by a senior and respected Israeli figure on behalf of the prime minister. This would be a correct move for taking advantage of a tactical opportunity in the complex strategic expanse."

JONES